



Ernie Fletcher  
Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Majeed S. Nami  
Nami Resources Company  
1222-1/2 North Main Street  
P. O. Box 948  
London, KY 40743-0948

Commonwealth of Kentucky  
**Public Service Commission**

211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

Ellen C. Williams  
Vice Chairman

Gregory Coker  
Commissioner

March 17, 2005

RE: Case No. 2005-00116  
Nami Resources Company  
(Tariffs)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received March 15, 2005 and has been assigned Case No. 2005-00116. In all future correspondence or filings in connection with this case, please reference the above case number.

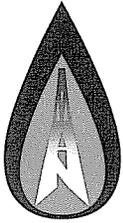
If you need further assistance, please contact Jeff Cline at (502) 564-3940 ext. 218.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/cm



**NAMI  
RESOURCES  
COMPANY, LLC**

RECEIVED

MAR 15 2005

March 9, 2005

PUBLIC SERVICE  
COMMISSION

Beth O'donnell, Executive Director  
Kentucky Public Service Commission  
PO Box 615  
Frankfort, Kentucky 40602

*2005-00116*

Re: Application/Tariff Request Gathering  
Line/Farm Tap Service KRS 278.485  
Rural Knox, Whitley, Clay and  
Leslie Counties, Kentucky.

In April 2002, Nami Resources Company, LLC received Notice of Acceptance of Tariff Filing No. T-63-0700 for the 151 customers being served under KRS 278.485 from its gas wells and gathering pipelines. Natural gas prices have risen substantially and operating expenses have increased moderately. Nami Resources is now requesting a modification of this Tariff.

Below is the cost justification for this request:

**Gas costs based on sales calculations**

<u>Description</u>	<u>Amount</u>
12 Month NYMEX Strip (Effective March 1, 2005)	\$ 7.22/dth
Appalachian Differential	+ .25/dth
Contract Differential	<u>+ .15/dth</u>
	\$ 7.62
Less: Transportation to sales point	<u>- .26/dth</u>
	\$ 7.36/dth
Price to be received by Nami Resources from North American Energy per DTH Adjusted to MCF basis at 1200 Btu/cubic foot	
	\$ 8.83/mcf

March 9, 2005

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**Other Related Costs**

<sup>1</sup> Well Tender	\$ 1.64/mcf
<sup>2</sup> Administrative Personnel	.50/mcf
<sup>3</sup> Compressor Costs	.28/mcf
<sup>4</sup> Well Maintenance/Pipeline expenses	.46/mcf
<sup>5</sup> Mileage Expense for service man	.34/mcf
<sup>6</sup> Postage & Office supplies	<u>.08/mcf</u>
Total Other Related Costs	\$ 3.30/mcf

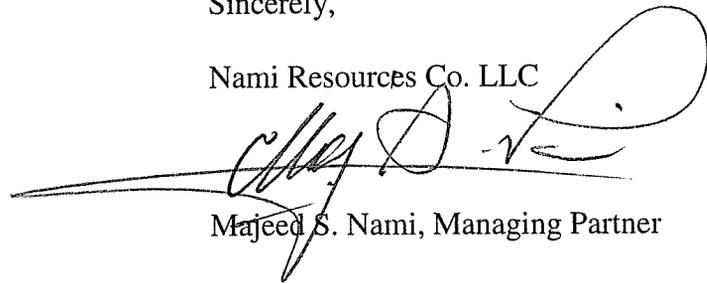
TOTAL NEW RATE 12.13/mcf

Footnotes are attached to provide detail of certain items. All other charges for service taps, reconnect fees, turn on and security deposits are requested to remain the same. Notice to all customers and advertisement in local papers will be sent out immediately. Proof of notice will be forwarded as tear sheets are received.

We respectfully request your approval of our modification of rates.

Sincerely,

Nami Resources Co. LLC

A handwritten signature in black ink, appearing to read 'Majeed S. Nami', is written over a horizontal line. The signature is stylized and includes a large loop at the end.

Majeed S. Nami, Managing Partner

Nami Resources Co. LLC  
Rate Modification Request  
**Footnotes**

**RECEIVED**

**MAR 15 2005**

**PUBLIC SERVICE  
COMMISSION**

**<sup>1</sup>Well Operator Cost:**

Base Pay	\$14.50
Benefits @ 28%	<u>4.06</u>
TOTAL	\$18.56/hr

Assume:

Meter Reading – 15 min/customer/mo X 12 mos.	=	3 hrs/yr/customer
Callouts, mowing, maint. (2 hrs overtime included)	=	4 hrs/yr/customer
Add (for overtime pay)		<u>1 hr.</u>
TOTAL HOURS		8 hrs.

Calculation Cost per mcf.

8 hrs. X 18.56 = 148.48 per customer per year.	
÷ 90 mcf/yr. average usage	164/mcf

**<sup>2</sup>Administrative Personnel Cost:**

Base Pay	11.75
Benefits @ 28%	<u>3.29</u>
TOTAL	\$15.04/hr

Assume:

Invoicing, Payment Collection & Phone Calls 15/min/customer/mo X 12 = 3 hours/yr/customer.

3 hrs. x 15.04 = \$45.12 ÷ 90mcf average usage	\$1.50/mcf
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**<sup>3</sup>Compression Costs**

Estimated cost per mcf based on total annual expenses for all gas production being compressed. Compression is required to assist uninterrupted gas supplies.

\$0.28/mcf

**4Well Maintenance, Pipeline Expenses**

Additional time spend to blow drips, swab wells, add methanol in areas where farm tap customers exist. Estimated additional cost due to farm tap customers at \$1,500/month for four (4) months (or 5 to 6 wells per month at \$300 well contracted costs)

\$6,000 ÷ 146 customers ÷ 90 mcf \$ .46

**5Mileage expense for service man**

Estimated 4 days of meter reading per month at 100 miles per day and 25 miles per year customer for callouts plus 25 miles per year per customer for collecting payment.

Meter reading	=	4800 miles per year	
Callouts	=	3775 miles per year	
Collecting bills	=	3775 miles per year	12,350 miles/year
IRS Rate 12350 Miles @ .36 =			\$4,446.00
4,446.00 ÷ 146 customers ÷ 90 mcf/customer =			\$.34/year

**6Postage and Office Supplies**

Assumed \$.37/customer/month for postage plus another \$.20 per customer/month for notice mailings, safety notices and for supplies.

\$.57/customer/month or 6.84/year/customer \$.08/mcf  
\$6.84 ÷ 90 mcf

KNOX, WHITLEY, CLAY &  
LESLIE COUNTIES  
P.S.C. NO. THREE (3)  
SHEET NO. ONE (1)  
CANCELLING P.S.C. NO. TWO (2)  
SHEET NO. ONE (1)

NAMI RESOURCES COMPANY, LLC  
Naming of Issuing Corporation

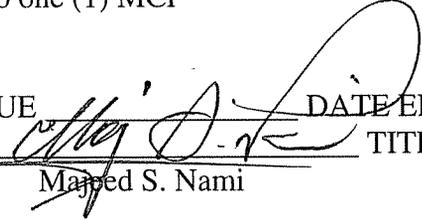
CLASSIFICATION OF SERVICE  
FOR RESIDENTIAL & COMMERCIAL CUSTOMERS

Nami Resources Company, LLC, is applying as a farm tap system as described under KRS 278.485. Nami Resources Company, LLC is currently gathering gas from production in Knox, Whitley, Clay and Leslie Counties for sale to markets available through Delta Natural Gas Company and Columbia Transmission Co. and markets provided by Nami Resources Company, LLC. Nami Resources Company, LLC requests approval on the following rate schedule to sell gas to the homeowners and commercial business along its gathering pipeline system:

All customers will be charged the same:

\$12.10	MCF residential/commercial
\$12.10	Minimum monthly charge*
\$150.00	Tap fee
\$25.00	Reconnect charge
\$200.00	Cash deposit

\* Includes up to one (1) MCF

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE May 1, 2005  
ISSUED BY  TITLE Managing Partner  
Mapped S. Nami

Issued by authority of an order of the Public Service Commission of Kentucky in Case  
No. \_\_\_\_\_  
Dated \_\_\_\_\_